

Message Text

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TO SECSTATE WASHDC PRIORITY 2867

INFO AMEMBASSY BELGRADE

AMEMBASSY BERLIN

AMEMBASSY BUCHAREST

AMEMBASSY MOSCOW

AMCONSUL MUNICH

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY WARSAW

USMISSION GENEVA

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C O N F I D E N T I A L BUDAPEST 0798

E.O. 11652: GDS

TAGS: PINT, PFOR, HU, US

SUBJ: KADAR SPEECH TO 11TH PARTY CONGRESS--PART 2 OF
2 PARTS

REF: BUDAPEST 744, 758, 759 AND 765

1. KADAR MADE STRONG CALL FOR GREATER IDEOLOGICAL CONTENT
IN DOMESTIC CULTURAL AND POLITICAL AFFAIRS AND LINKED
INTERNATIONAL DETENTE WITH NEED TO BE MORE VIGILANT
IDEOLOGICALLY ON HOME FRONT. IN CULTURAL FIELD HE LAMENTED
"LOSS OF PERSPECTIVE BY CERTAIN INDIVIDUALS AND GROUPS AS
REFLECTED IN LITERATURE, ARTS AND CREATIVE WORKS." THEN
CLAIMED THAT PARTY HAS RIGHT TO CHOOSE ARTISTIC WORKS
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ACCORDING TO SOCIAL VALUE AND WHICH REPRESENT "REALITY

WITH SOCIALIST COMMITMENT."

2. IN FOREIGN POLICY SECTION KADAR PAID FULSOME HOMAGE TO LEADERSHIP OF SOVIETS AND "COMRADE BREZHNEV" AND REPEATED USUAL WP POSITION ON CSCE, MIDDLE EAST, AND SOUTHEAST ASIA. U.S. CHARGED WITH FUELING THESE PROBLEMS THROUGH ITS SUPPORT OF ISRAELI AND CAMBODIAN GOVTS. HE ALSO SUPPORTED CONVOCAION OF WORLD CONFERENCE OF COMMUNIST PARTIES ALTHOUGH IT WAS NOT PUT IN ANY TIME FRAME. KADAR EXPRESSED GREAT REGRET THAT CHINESE PARTY HAD NOT RESPONDED TO HSWP ATTEMPTS TO IMPROVE RELATIONS BUT IN LATER IDEOLOGICAL DISCUSSION HE STRONGLY ATTACKED MAOISM FOR ITS WEAKENING EFFECT ON INTERNATIONAL COMMUNIST MOVEMENT. HE ALSO CONDEMNED FOREIGN DISCRIMINATION AGAINST HUNGARIAN ECONOMY MENTIONING BY NAME U.S. TRADE BILL AND MEASURES OF COMMON MARKET.

3. ON INTERNAL PARTY AFFAIRS KADAR NOTED WITH SATISFACTION INCREASE IN MEMBERSHIP TO 750,000 AND THAT 58 PERCENT OF PARTY COMPOSED OF MANUAL WORKERS MADE STRONG CALL FOR CLOSER EXAMINATION OF POLITICAL AND MORAL CHARACTER NEW MEMBERS AND FOR GREATER ACCOUNTABILITY TO BE GIVEN TO THOSE PROPOSING NEW MEMBERS. SAID BASIC PARTY PRINCIPLE OF DEMOCRATIC CENTRALISM, REFLECTED IN COLLECTIVE LEADERSHIP, MUST BE ADHERED TO BECAUSE " IT IS IMPERMISSIBLE TO HAVE ARBITRARY, SUBJECTIVE INTERPRETATIONS OF PARTY RESOLUTIONS AND DECLARATIONS. POSSIBLY REFERRING TO CHANGES OF 30-35 PERCENT WHICH HAVE TAKEN PLACE IN CADRES IN LOWER PARTY ORGANIZATIONS AND THOSE TO COME IN HSWP'S LEADING ORGANS, KADAR SAID "JUSTIFIED CHANGES IN CADRES DERIVE INTERESTS OF COMMUNITY AND INDIVIDUALS ALIKE BECAUSE THEY HELP TO INSURE THAT EVERYONE SHOULD WORK IN POSTS COMMENSURATE WITH THEIR CAPACITIES, QUALIFICATIONS, AND SUITABILITY FOR SOCIALISM."

4. KADAR'S REMARKS ON ECONOMIC THEMES CONTAINED MINIMUM OF IDEOLOGY AND STRESSED PRACTICAL PROBLEM-SOLVING. ISSUE OF STATE VS. COLLECTIVE PROPERTY, WHICH KADAR HIMSELF RAISED IN A SPEECH LAST FALL AND WHICH HAS HISTORICALLY BEEN AN IDEOLOGICALLY SENSITIVE ONE HERE, APPEARS TO HAVE BEEN GRACEFULLY SHELVED FOR RECONSIDERATION AT SOME UNDETERMINED

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FUTURE DATE. KADAR WENT OUT OF HIS WAY TO REASSURE PRIVATE SECTOR THAT ITS SERVICES WOULD CONTINUE TO BE NEEDED, AND EVEN WELCOMED. HE GAVE IMPRESSION THAT IN FUTURE ECONOMIC POLICY WILL BE MODIFIED PRIMARILY BY ECONOMIC CONSIDERATIONS. CLEARLY IMPLYING THAT, GIVEN CURRENT ECONOMIC CONDITIONS, HUNGARY COULD NOT AFFORD LUXURY OF DOING OTHERWISE. ECONOMIC PERFORMANCE WILL BE JUDGED BY RESULTS AND IT IS INTERESTING THAT ENTERPRISES SUCH AS RABA-GYOR AND BABOLNA STATE FARM,

WHICH BOTH LED BY SUCCESSFUL BUT OUTSPOKEN AND CONTROVERSIAL MANAGERS WERE PARTICULARLY SIGNLED OUT FOR PRAISE.

5. UNDERLYING ENTIRE ECONOMIC SECTION OF THE SPEECH IS AN APPEAL FOR UNITY IN FACE OF SERIOUS CHALLENGES. KADAR MAKES IT CLEAR THAT IN END WHETHER OR NOT ECONOMY IS SUCCESSFUL IN MEETING THE CHALLENGES BEFORE IT WILL DEPEND PRIMARILY ON EFFORTS OF WORKING POPULATION. IT IS QUESTIONABLE, HOWEVER, WHETHER AMBITIOUS GOALS ANNOUNCED IN SPEECH FOR NEXT 5-YEAR PLAN PERIOD ARE IN FACT REALIZABLE SINCE WITH CHANGED ECONOMIC CONDITIONS IT IS DIFFICULT TO SEE HOW HUNGARY WILL BE ABLE TO MAINTAIN WHAT ARE BASICALLY FOURTH 5-YEAR PLAN GROWTH RATES DURING FIFTH 5-YEAR PLAN PERIOD. A RANKING OFFICIAL OF NATIONAL PLANNING OFFICE, WHEN ASKED TO COMMENT ON WHETHER OR NOT PLANNED GROWTH RATES REALIZABLE, ANSWERED "OF COURSE, WE WILL TRY BUT THESE ARE ONLY TARGET FIGURES. WHETHER OR NOT THEY ARE ACHIEVABLE HAS NOT YET BEEN DETERMINED BY PLANNING OFFICE STUDIES. I CAN ASSURE YOU THAT WE WILL NOT GO BACKWARDS."

6. OVERALL, KADAR'S SPEECH BASICALLY IN LINE WITH PRELIMINARY CONGRESS DOCUMENTS, PROVIDED NO SURPRISES. HE OBVIOUSLY WANTED TO REASSURE POPULACE THAT THERE WOULD BE NO MAJOR CHANGES IN REFORM POLICIES AND THAT, ALTHOUGH INTERNATIONAL ECONOMIC SITUATION CLOUDY AT PRESENT, HUNGARIAN LIVING STANDARDS WOULD CONTINUE TO RISE AT APPROXIMATELY SAME PACE AS IN PAST FIVE YEARS. HIS COMMENTS ON CULTURAL POLICY DO NOT LOOK PARTICULARLY TOUGH ON PAPER. DURING HIS DELIVERY OF THIS SECTION OF SPEECH, HOWEVER, HE TRIED TO CONVEY IMPRESSION OF MORE FIRMNESS THAN WORDS THEMSELVES INDICATE. IT IS DIFFICULT TO DETERMINE NOW HOW MUCH OF KADAR'S REMAKRS ARE SMOKE SCREEN TO IMPRESS SOVIETS
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AND HOW MUCH REPRESENT INTENTION TO CRACK DOWN ON WRITERS AND ARTISTS. KADAR'S COMMENTS ON LAND OWNERSHIP MAY CAUSE SOME DISQUIET AMONG COOPERATIVE MEMBERS AND PRIVATE LANDHOLDERS WHO HAVE BEEN UNEASY SINCE HIS REMARKS OF LAST SEPTEMBER WHEN HE CALLED FOR "CREATION OF NEW FORMS OF SOCIALIST PROPERTY," IMPLYING THAT THIS WOULD BE CARRIED OUT AT EXPENSE OF COOPERATIVES. ON THE WHOLE, SPEECH WAS VINTAGE KADAR, DEVOID OF PRETENSIONS AND FUZZY FORMULATIONS AND USUAL COMMUNIST JARGON AND PRETTY MUCH HITTING MIDDLE OF ROAD ON MOST IDEOLOGICAL ISSUES. NEW POLITBURO WILL BE ELECTED ON MARCH 21 AND FOLLOWING THAT WE SHOULD HAVE BETTER IDEA OF LONG-RANGE POLICY SIGNIFICANCE OF PARTY CONGRESS.
PEDERSEN

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